

# **COAM bill signed into law**

## *Gift card among many enhancements*

#### **By Paul Tash Georgia Amusement Journal** y Brian Kemp earlier this month sig

Gov. Brian Kemp earlier this month signed House Bill 353 into law, the culmination of two years of often intense work by the COAM industry and many supportive legislators to generate further COAM growth.

The Georgia General Assembly passed HB 353, sponsored by Rep. Alan Powell, R-Hartwell, in late March. Powell and Sen. Clint Dixon (R-Gwinnett) were instrumental in getting the legislation passed, industry leaders said.

While the bill brings needed regulatory changes, its primary objective was to clarify the ability for retailers to issue gift cards as a form of redemption. The bill also includes changes to reporting requirements, an increase in the tax collected from all Class B machines to benefit Pre-K education, and a definition of allowable marketing elements that can be provided by master licensees.

GAMOA and its board of directors provided meaningful oversight during the two-year process, "ensuring a fair and balanced COAM bill," said Shawn Fellows, president of the Geor-

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**COAM ADVISORY** Board members Dhaval "Bunty" Doshi and CB Yadav take time after the April 16 meeting in Atlanta for a photo.

# Legislation hailed at board meeting

#### By Paul Tash Georgia Amusement Journal

Recent passage of COAM reform legislation received plenty of praise during the COAM Advisory Board meeting April 16, and the GLC pledged "100 percent" commitment to its implementation.

Gretchen Corbin, president and CEO of the Georgia Lottery Corp., opened the meeting with a congratulatory message for the COAM industry for passage of House Bill 353, which provides a number of improvements to existing COAM law.

"A quick congratulations to the industry," she said. "Our team is,

during the session and at this point, spending a lot of time with it, making sure we understand everything and that we're ready to execute the statute."

"I want you to know we stand ready to implement that (legislation)," she said.

COAM Division staff will reach out to industry representatives on occasion and "in a very timely manner" for input as it moves through the rules process, she added.

"There are multiple pieces (to the legislation)," she said.

"It is a complicated bill," said Emily Dunn, chair of the COAM See BOARD Page 3



## **COAM licensing window opens May 15**

#### By Paul Tash Georgia Amusement Journal

The licensing application process for coinoperated amusement machines (COAMs) will open May 15 for the 2025 licensing period, which runs July 1, 2024, through June 30, 2025, on the Georgia Lottery Corp.'s COAM website, www.gacoam.com.

The recent legislative changes to the COAM law has put the state's COAM Division in overdrive working to



develop processes to comply with the new changes, especially the creation of multi-year licenses. Class B location and master licensees now have the option for either a oneyear, two-year or three-year license.

"COAM staff are working very hard to develop a multi-year solution," said COAM Division Vice President Mike Parham. "This is a change to the core of our licensing system."

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## Board

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Advisory Board, adding that the board stands ready to help with the bill's implementation, "as much as you may need us."

"It has been 11 years since the legislature passed COAM reform legislation," she added. "And personally I am thrilled and grateful that the legislation has passed, and the industry has come together in a champion way. I do want to thank publicly the House and Senate leadership for their support."

Dunn said she is looking forward to working with the industry and regulators to increase COAM contributions for the Hope and Pre-K education programs.

John Heinen, COAM senior vice president, said HB 353 has his team's full attention.

"We're having twice-a-day meetings to get ready for this," he said. "Some of the steps, as you can imagine, are going to be a big lift."

The multi-year licensing piece, for example, is going to involve nearly "every department in the Lottery," Heinen said. The bill allows Class B licensees - location and master – the option for either a one-year, two-year or three-year license, eliminating the need to reapply every year. Though the change "seems like an easy thing ... like flipping a switch," he said, when it involves "a data base that allows humans to interact with it," it becomes "a monumental step."

"But we're definitely going to make this happen," he said. "We're 100 percent into it."

Dunn thanked Heinen, COAM Vice President Parham and the COAM staff for their efforts.

"I have every confidence that the GLC can do this," she said. "I'm so excited about what this (legislation) is going to do for our Pre-K and Hope scholarships. The projections are fantastic. It is a win for everyone, and the work will be worth it."

• Class B master licenses – 196 • Class B location licenses -

7.109 • Manufacturers licenses – 32

• Distributors – 4

Parham then reviewed some communication efforts that the COAM Division has made.

A late-February email was sent to license applicants "sitting in a compliance pre-denial status" who had begun the licensing process but hadn't fully completed the necessary forms.

"We reached out to them if they haven't responded to us in a timely manner," Parham said, to remind them that "the ball's in their court" and the GLC is "waiting for them to take action."

"We know ... people forget about it. They get distracted," he said, adding that the email often prompts them "to provide us with the necessary information on their application."

"Those emails we definitely see a return on when we send them

out," Parham said.

Another email was sent to all location licensees to remind them to "correctly redeem the prizes on the COAMs." That email was prompted by complaints from players that they weren't able to fully redeem for their prizes at some locations.

Parham also noted that online links to COAM training videos have been consolidated into one area of the COAM website - the first bulletpoint item on the Communications section - at www.gacoam.com. That section is now the "one-stop shop" for all current and future training videos, he said.

#### **Controller installations**

Installation of new site controllers that promise more functionality and fewer complications is "ramping up really quick," Parham said. As of April 15, 497 site controllers had been installed in the field, he said. Intralot has brought in extra resources to help with installs, he said, adding that "we're

going to see a definite increase in those site controller installations."

The controller eliminates some of the cumbersome cabling that master licensees have had to deal with, including the problematic octopus cord. The new controllers have 10 designated ports to connect the machines directly to the controller. The controller also allows Intralot to provide some maintenance remotely, easing the need for technicians to visit locations as much. The controllers also come with software enhancements to improve functionality.

#### COAM gift cards

Regarding the Lottery's pilot gift card program, Heinen said that as of March 31, \$69.6 million had been loaded onto about 258,500 gift cards in just over 2,500 locations. The average gift card load is about \$269, he said. The state's gift card pilot program was extended last year and opened up to all location licensees in Georgia.



#### **COAM** numbers

Heinen later provided the latest COAM statistics as of March 31, which is the end of the fiscal year's third quarter. He said the Georgia market had 37,125 Class B COAMs in 6,697 locations. At the same time last year, he said, the market had about 34,000 machines in 6,200 locations.

"So there's obvious growth there," he said.

In his report to the board, Parham provided some licensing statistics. The number of enabled licenses as of March 31 were:

• Class A master licenses – 277

• Class A location licenses – 2,244

# Journal Opinion Journal growing with COAM industry

By Paul Tash **GAJ Editor and Publisher** As the Georgia Amusement Journal marks its seventh anniversary with this May issue, we've never been more excited about the future of the industry we cover. Georgia's COAM industry has made strides few could have imagined in 2013 when the initial COAM legislation that created the regulated and stable market we enjoy today. The Georgia market now boasts over 37,000 Class B COAMs in about 6,700 locations. And with the recent passage of House Bill 353, which among many reforms clarifies the use of a gift card for redemption, the COAM industry is poised for even greater heights.

As the industry grows and matures, the Journal will continue to play its important role. We will continue to serve the state's COAM industry and its related businesses with the same unwavering dedication our readers now expect and appreciate across Georgia and beyond. Licensees can count on us to deliver the information they need to run their businesses in the most cost-effective, compliant and profitable way possible. The Journal is also proud to work with an industry that contributes so signif-



Paul Tash

icantly to the state's Hope Scholarship and Pre-K education programs – over \$715 million total through Fiscal Year 2023.

The Georgia Amusement Journal would not be the respected trade journal it has become without the support of the Georgia Amusement and Music Operators Association (GAMOA). It has been a Journal advocate from the start.

"When industry news needs to be delivered to the entire industry GAMOA relies heavily on the trade journal for its independent and comprehensive reporting," GAMOA President Shawn Fellows has said. "The Journal's statewide distribution



A Tash Communications Publication

The Journal takes every opportunity to highlight the benefits the COAM industry provides for the Georgia economy and its education.

and ability to reach all licensees within the COAM industry is one of our most valuable tools."

The Journal is mailed free of charge to thousands in the COAM industry, including Class A and B master and location licensees, vendors, regulators, and others. With the endorsement of GAMOA, the Journal works diligently to provide industry-related news and features to help all licensees navigate state regulation and run their businesses more effectively and efficiently.

The Journal provides regular coverage of the GAMOA membership meetings and COAM Advisory Board meetings. The publication also features stories on industry leaders and regularly introduces new companies in the Georgia market place, as well as new products and services by the many successful firms already established here.

Wherever an industry-related event occurs, the Journal will be there covering it, from the Amusement Expo International in Las Vagas in March to GAMOA's Southern Amusement & Entertainment Expo in Atlanta in August to Global Gaming Expo in Vegas in October. The Journal also offers regular columns from the Amusement and Music Operators Association (AMOA) and the Georgia Association of Convenience Stores.

The Journal relishes its role as the industry's voice and takes every opportunity to highlight the benefits the COAM industry provides for the Georgia economy, and especially for state education through its funding of the Hope Scholarship and Pre-K program.

The Georgia Amusement Journal is able to perform its industry role thanks solely to the advertising dollars it receives. An independent publication, the Journal receives no funding from any association and survives on the tremendous support of its advertisers. We thank all of them for recognizing its tremendous value as the outlet for companies to promote their products and services to those in the COAM industry. It's heartening to know our advertisers believe that marketing in the Journal consistently is a worthy investment.

Finally, I'd like to thank the many dozens of individuals, from Lottery regulators to industry insiders, who continually provide the Journal staff their expertise in understanding Georgia's unique COAM industry. You all are greatly appreciated. And to our readers, thank you for your loyalty – we look forward to another year together

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tional in Las Vegas in March to gether.

## **COAM calendar**

## - REPORTING DATES -

**May 20:** Each monthly report should be submitted by Location License Holders in electronic format via the www.gacoam.com website as required by the GLC by the 20th of each following month.

## - MEETINGS/OTHER -

- May 16: GAMOA general membership meeting, Westin Atlanta Gwinnett, Duluth
- May 15: Southern Convenience and Petroleum Show, Macon Centreplex, Macon
- Aug. 21-22: Southern Amusement & Entertainment Expo,

Gas South Convention Center, Duluth



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## Legislation

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gia Amusement and Music Operators Association (GAMOA).

"Through this balanced approach, the industry will see growth through improved play, quality of locations and further stabilization of the market," Fellows said. "Increased regulations have been needed and will help to ensure the longevity of the industry for decades to come."

Les Schneider, the lead GAMOA lobbyist, said the effort to pass the COAM legislation wasn't easy, but worth it in the end.

"It is most gratifying to see the progress that was made by this law change, which will benefit the state, the industry and the players," Schneider said. "This was all done despite the attempt by some folks to demonize the industry and spread false information."

Industry representatives have



Shawn Fellows

said the gift card will provide convenient and easy non-cash redemption and will stimulate further growth by attracting new players, generating new locations, and marketing the COAM product more efficiently. That growth will in turn provide even larger industry contributions to the state's HOPE and Pre-K education programs.

The legislation allows redemption gift cards for winners that can be used anywhere to purchase products and services. In addition,



Les Schneider

gift cards will also eliminate the temptation for locations to pay out cash for prizes, which is illegal, Rep. Powell has said in committee hearings.

In addition to the gift card, the legislation provides over a dozen other enhancements. Those include the creation of multi-year licenses that will eliminate the need for licensees to reapply every year. All Class B licensees – location and master – would have the option for either a one-year, two-year or



three-year license, and they would pay proportionately what they pay now.

In addition to easing licensees' effort and stress of applying for or renewing a license every year, the change would also ease the workload of regulators in the application process.

Another change in the legislation involves a tax increase of 3 percent to directly benefit the state's Pre-K education program by covering a \$42 million funding gap in the program. The 3 percent tax increase, split between master and location license holders, would push the state's share of COAM revenue from 10 percent to 13 percent.

Other features of HB 353 will:

• Clarify that act of redemption takes place when the card is issued to the player;

• Allow kiosks and other automated technology, including digital forms, to issue gift cards;

• Increase the prize value limit for Class A redemption to \$50 per play, which would be consistent with neighboring states law;

• Place the COAM Division of the Georgia Lottery Corp. (GLC) under the Administrative Procedures Act. The APA provides guidelines and details processes on how rules are adopted, including requirements for hearing notices, comment periods and legislative input.

• Eliminate the requirement for veteran and fraternal organizations to meet the "50/50 Rule" stipulating that at least 50 percent of income must be derived from sales of goods and no more than 50 percent from Class B COAMs.

• Provide that GLC auction a master license every three years. Currently, the Georgia market has about 195 master license holders;

• Require public auctions if a settlement involves a revocation or nonrenewal issued by the GLC;

• Change the "50/50 Rule" from a monthly to a quarterly analysis to take into consideration the seasonality of a business and to lighten the workload of the private business owner and the GLC, and change the requirement for reporting gross retail receipts from monthly to quarterly for Class B location license holders. More details about the new law will be available for GAMOA members at the organization's membership meeting Thursday, May 16. Fellows said the GAMOA executive committee and lobbyists will provide a "section-by-section analysis of the bill to our members." HB 353 represents the most extensive piece of COAM legislation since HB 487 in 2013 that created the successful regulatory environment the industry enjoys today, he added.

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## Licensing

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Traditionally, the licensing period begins May 1, but the opening date has been pushed back to May 15 to allow the COAM Division some extra time to develop that solution. Other deadlines, including the deadline to apply for the 2025 licensing period, will be announced when available. Licensees are encouraged to check the COAM website regularly for updates.

Master licensees can play an important role in helping their locations through the licensing process by reminding them to:

• Pay their taxes and other state financial obligations.

• Apply for the correct license (Class B).

• Pay attention to licensing deadlines.

• List all the officers and shareholders listed on the license application.

## **Auctioned license changes hands**

**Georgia Amusement Journal** The runner-up in last month's auction for a Class B master license has accepted the license after the winning bidder declined it, according to the COAM Division of the Georgia Lottery Corp., which held the auction.

Auction rules state that the winning bidder would get the opportunity to apply for a 2025 license during the 2025 licensing period, which this year starts May 15 (see story on Page 1). Navinchandra Patel, who beat out two others with a bid of \$2.6 million April 10, decided not to continue the process and forfeited the license, said COAM Division Vice President Mike Parham.

Per auction rules, Lottery officials offered the

license to the second-highest bidder at his bid of \$2.5 million. That bidder, whose name hasn't been released, has agreed to apply for a 2025 license. The Class B master license auctioned off has no COAMs, locations, or equipment associated with the license.

**Legislation in 2015** required the GLC to conduct periodic auctions, at least once every three years, for the Class B master licenses. The April auction was the fourth – the first was held in May 2017, the second in May 2018, and the third in April 2021. The winning bid in the 2018 auction was \$900,000, while two bidders paid about \$3 million each for a license in 2021.

• Take time to enter information correctly.

The licensing application process covers the following licenses:

• Master Class A – New and renewal

- Master Class B Renewal only
- Location Class A New and renewal

• Location Class B – New and renewal

• Manufacturer – New and renewal

• Distributor – New and renewal The Lottery is not accepting any new Class B Master License applications. New Class B Master licenses are only available through an auction process for prequalified participants. The most recent was held in April of this year (see related story on this page).



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07-Jan-24	13-Jan-24	17-Jan-24	23-Jan-24
14-Jan-24	20-Jan-24	24-Jan-24	30-Jan-24
21-Jan-24	27-Jan-24	31-Jan-24	06-Feb-24
28-Jan-24	03-Feb-24	07-Feb-24	13-Feb-24
04-Feb-24	10-Feb-24	14-Feb-24	21-Feb-24*
11-Feb-24	17-Feb-24	21-Feb-24	27-Feb-24
18-Feb-24	24-Feb-24	28-Feb-24	05-Mar-24
25-Feb-24	02-Mar-24	06-Mar-24	12-Mar-24
03-Mar-24	09-Mar-24	13-Mar-24	19-Mar-24
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17-Mar-24	23-Mar-24	27-Mar-24	02-Apr-24
24-Mar-24	30-Mar-24	03-Apr-24	09-Apr-24
31-Mar-24	06-Apr-24	10-Apr-24	16-Apr-24
07-Apr-24	13-Apr-24	17-Apr-24	23-Apr-24
14-Apr-24	20-Apr-24	24-Apr-24	30-Apr-24
21-Apr-24	27-Apr-24	01-May-24	07-May-24
28-Apr-24	04-May-24	08-May-24	14-May-24
05-May-24	11-May-24	15-May-24	21-May-24
12-May-24	18-May-24	22-May-24	29-May-24*
19-May-24	25-May-24	29-May-24	04-Jun-24
26-May-24	01-Jun-24	05-Jun-24	11-Jun-24
02-Jun-24	08-Jun-24	12-Jun-24	18-Jun-24
09-Jun-24	15-Jun-24	20-Jun-24*	26-Jun-24*
16-Jun-24	22-Jun-24	26-Jun-24	02-Jul-24
23-Jun-24	29-Jun-24	03-Jul-24	09-Jul-24

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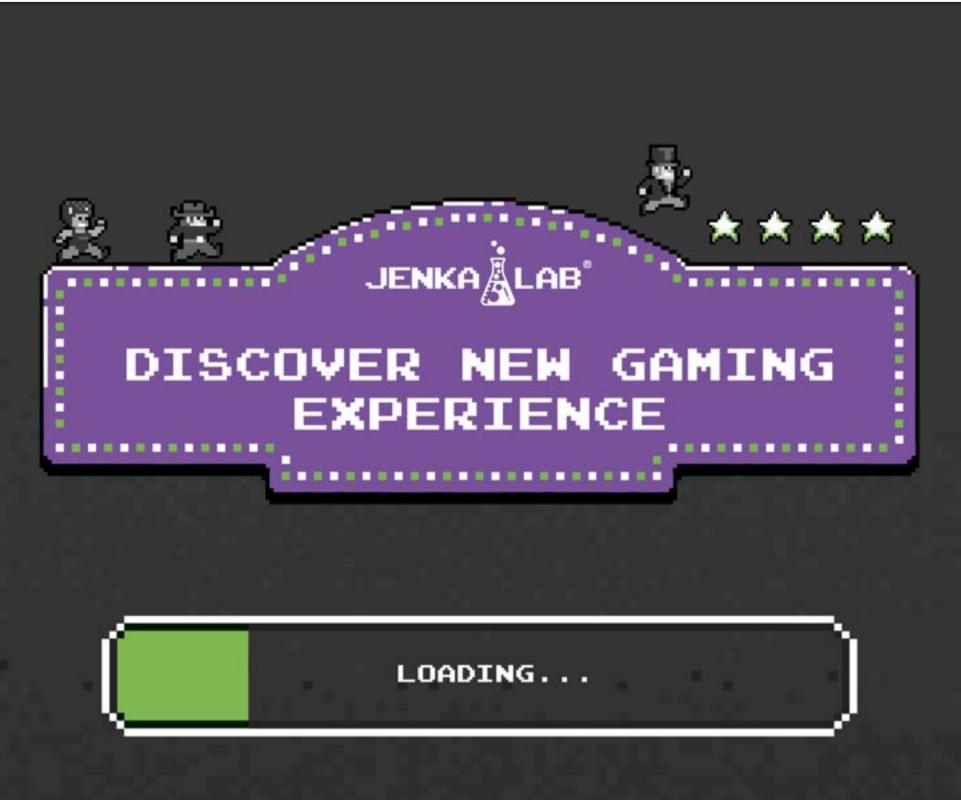






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The Southern Convenience Store and Petroleum Show returns to Macon, GA, for its 22nd year on May 16 at The Centreplex.

Sponsored by the Georgia Association of Convenience Stores (GACS), the popular show promises something for everyone:

• Retailers will find hundreds of new products and services to review and explore, among the myriad of exhibits slated to be present on The Show floor. From food

service to fuel, novelties to snacks, retailers will find everything they need to boost their stores' performance.

• Exhibitors will have the opportunity to showcase their products and services to key decision makers from across Georgia. These store owners, operators and buyers are shopping for new ways to improve their businesses.

• District managers can improve their management and coaching skills - and owners improve their ROI – by participating in the District Managers' Bootcamp, scheduled for

Wednesday, May 15. This full day workshop, led by industry HR expert Terry McKenna, will teach DMs how to optimize their time, manage the hard conversations, implement coaching strategies, and reinforce desired behavior. Take-aways include coaching tools and a DM Action and Accountability Plan for each attendee. At the conclusion of the Bootcamp, DMs in attendance will enjoy a special preview of The Show by visiting The Show floor.

• Store managers can learn how to be more effective managers and boost employee performance in a one-time half-day bootcamp format on Thursday morning, May 16, leaving time to visit The Show that afternoon. They will learn how to improve employee retention, handle hard conversations, better manage their time, and develop techniques for coaching versus bossing and why that's important. • There's also a free seminar for all retail attendees the morning of May 16 before The Show opens. Jessica Lamb with Atlanta Redemption Ink will share her experiences first as a trafficking victim and now as a nationally recognized survivor and leader who has built a national network of specialists aiding survivors of exploitation.

and retailers - a perfect time to unwind and network with old and new friends in the industry.

#### Be a part of The Show

Show attendance is free for retailers, including the seminar. Preregistration is strongly encouraged at www.gacs.com to avoid long check in lines. Admission is by badge only. Attendees must preregister or register on site and pick up badges by 2 p.m.

May 16.

Both bootcamps are offered at a substantial discount for GACS members and are limited to 100 DMs and 50 SMs. Go to www.gacs.com/events and click on the Retailer button for The Show to register.

Call (770) 736-9723 for more information.

#### Show schedule Wednesday, May 15 8 a.m.- 5 p.m. – Exhibitor setup

9 a.m. -5 pm – DM Boot Camp and Show preview

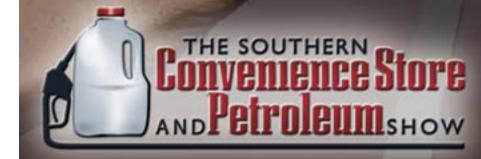
2-5 p.m. - Show registration open 4-6 p.m. - Cocktail reception

Thursday, May 16 Lamb

8 a.m.-3 p.m. - Show registration open

9 a.m.-4 p.m. - Trade show floor open





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